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**Subject:** State halts Marcellus shale drilling

## **State halts Marcellus shale drilling**

### **Cites chemical spills at Cabot Oil and Gas Corp. well site**

Saturday, September 26, 2009  
By Marc Levy, The Associated Press

HARRISBURG -- Citing three recent chemical spills at one well site, Pennsylvania regulators said yesterday they had ordered Cabot Oil and Gas Corp. to halt its use of a drilling technique that uses liquids to fracture rock and release natural gas.

The state Department of Environmental Protection's order applies to eight of Cabot's drilling sites, all in Susquehanna County in northeastern Pennsylvania. An agency spokeswoman called the order the toughest action the department has ever taken against a company drilling into the potentially lucrative Marcellus shale formation.

The company, which received the order Thursday, voluntarily shut down its use of the drilling technique -- called hydraulic fracturing, or "fracking" -- at the spill-plagued site there earlier this week. It has seven other drilling sites that eventually will require fracking to complete.

"The department took this action because of our concern about Cabot's current fracking process and to ensure that the environment in Susquehanna County is properly protected," the DEP's northcentral regional director, Robert Yowell, said in a statement.

This is not Cabot's first run-in with state regulators. Earlier this year, state officials blamed Cabot's drilling operations for causing methane to seep into some nearby residential water wells in Susquehanna County, leaving the water unsafe to drink and the wells a potential danger to explode.

Under the state's order, Cabot must complete a number of engineering and safety tasks before it can resume its fracking process as it drills into the potentially lucrative Marcellus shale formation. That includes conducting an engineering study of all equipment and work practices associated with fracking at all well sites in the county within 21 days.

Cabot spokesman Ken Komoroski said yesterday that the company disagrees with some of the agency's allegations in the order but is committed to completing the tasks required by the order. He also said the company believes that its cleanup efforts removed any risk to area residents.

This week, the department cited Houston-based Cabot for violating the Pennsylvania Clean Streams Law and several other laws in connection with three spills of a liquid-gel lubricant within seven days. The substance is mixed with water and pumped down the well bore before it is blasted into the shale to release the natural gas trapped in the rock.

Cabot may face civil penalties in connection with the citations, the department said.

In two separate spills on Sept. 16, the lubricant poured out of a loose pipe connection and seeped into a wetland and killed fish in a creek, according to the department. Mr. Komoroski has said the lubricant was heavily diluted by freshwater, which substantially limited its harm. On Tuesday, crews spilled more of the lubricant when a closed valve caused a hose to rupture under increased pressure.

The lubricant in question -- called LGC-35 CBM -- is supplied by Houston-based Halliburton Co., which provided an information sheet saying that chemicals in the product are potential carcinogens.

However, Mr. Komoroski has said further inquiry by Halliburton found no risk of cancer from the product, and its earlier statement was made in an abundance of caution.

He called the lubricant "relatively innocuous," although it may cause eye, skin and breathing irritations. A Halliburton spokeswoman did not respond to a request for comment.

Cabot is one of dozens of oil and gas exploration companies flocking to Pennsylvania in pursuit of Marcellus shale gas.

The massive rock formation lies 5,000 to 8,000 feet underground in an area covering more than 50,000 square miles -- about the size of Greece -- and stretching across New York, Pennsylvania, Ohio and West Virginia.

The industry has long known about the gas in the Marcellus shale -- but it wasn't until gas prices rose in recent years and a new shale-drilling technology was proven in Texas over the past decade that companies decided it was profitable to

pursue.

If the Marcellus shale ends up producing even a small fraction of the recoverable gas that is projected to be there, it will be the largest gas field ever in the United States.

To date, the state has received production reports from about 80 Marcellus shale wells. The state has issued more than 1,200 permits for Marcellus shale wells since 2005, with drilling taking place on about half. Drilling has taken place on more than 330 alone this year, according to the department.<http://www.post-gazette.com/pg/09269/1000932-454.stm> - ixzz0SQRDsR8D

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